

## UNDERGROUNDING PROJECT

Before Undergrounding

After Undergrounding

***Mission:*** To manage the growth and change of the City of San José in order to encourage a strong economy, ensure a diverse range of arts, cultural and entertainment offerings, and create and preserve healthy neighborhoods.

The Developer Assisted Projects Capital Program reimburses developers for the construction of street improvements throughout the City and encourages the undergrounding of existing overhead utilities. As part of the Community and Economic Development City Service Area, the major objective of the capital program is to ensure that residential developments within San José include the construction of public improvements necessary to maintain or improve the infrastructure of the City.

Underground Utility Districts are established using fees collected from developers. Undergrounding projects are prioritized within a five-year plan based on several criteria, the largest of which is the amount of fees collected within the proposed Underground District. Other criteria include whether or not the underground work can be coordinated with other capital improvement work such as street widening, and established equity in the amount of undergrounding proposed among Council Districts.

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## CSA CAPITAL PROGRAMS

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- Developer Assisted Projects Capital Program

## Recent Accomplishments

- Established Jackson/Taylor, 4<sup>th</sup> to 9<sup>th</sup> Street, Underground Utility Districts (combination Rule 20A and Rule 20B project) in November 2005.
- Established Park/Naglee, Naglee to Shasta and Park to Bascom, Underground Utility District in March 2006.
- Established Market/Almaden, Pierce, Reed, Williams and Viola Underground Utility District in June 2006.
- Completed construction of 4<sup>th</sup>/5<sup>th</sup>/6<sup>th</sup> Street Phase II Utility Underground District Project (Rule 20A) in November 2005.
- Held workshops with executive staff of PG&E to convey the City's urgency in getting past historic roadblocks, and developed a more realistic five-year project delivery schedule and guidelines entitled "Best Practices" to implement the Rule 20A program in a more timely fashion.

## Program Highlights

### Developer Assisted Projects

#### Capital Program

2007-2011 Adopted CIP: \$14.2 million

#### *Undergrounding Projects – Rule 20B*

- Jackson/Taylor, 4<sup>th</sup> to 9<sup>th</sup> Street, proposed Underground Utility Districts (combination Rule 20A and Rule 20B project): established in November 2005, currently in design and scheduled for construction in April 2007.
- Saratoga Avenue Underground Utility District: currently in design and scheduled for construction in September 2006.

#### *Undergrounding Projects – Rule 20A*

- Guadalupe Gardens undergrounding project: currently in design and scheduled for construction in September 2006.
- Camden Avenue, Bascom to Leigh, Underground Utility District: currently in design and scheduled for construction in January 2007.
- Evergreen Park, Yerba Buena and San Felipe Road, Underground Utility District: currently in design and scheduled for construction in August 2007.
- Park/Naglee, Naglee to Shasta, and Park to Bascom, Underground Utility District: established in March 2006, currently in design, scheduled for construction in August 2007.

#### *Street Improvements*

- Several street improvements including median island landscaping and center strip paving as part of the Communications Hill and Dairy Hill developments have begun construction. Some of the improvements were completed in 2005-2006, with the remaining improvements slated for completion in 2006-2007.

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## CSA OUTCOMES

(Supported by the Capital Program)

- ✓ Safe, Healthy, Attractive and Vital Community

## Performance Measures

A set of consistent and comprehensive performance measurements along with targets and goals have been established for the entire capital program and adopted for each individual CSA. Measures have been established for four key areas: schedule (cycle time), cost, quality, and customer satisfaction. Please see the Budget Guide section narrative for additional information on capital projects performance measurements.

### Outcome: Quality CIP Projects Delivered On-Time and On-Budget

| 5 Year Strategic Goals   |   | 2007-2011<br>5-yr Goal | 2005-2006<br>1-yr Target | 2005-2006<br>Estimate | 2006-2007<br>1-yr Target | 2007-2008<br>2-yr Target |
|--|---|------------------------|--------------------------|-----------------------|--------------------------|--------------------------|
| Community and Economic Development CSA delivers quality Capital Improvement Program (CIP) projects on-time and on-budget | 1. % of CIP projects delivered* within 2 months of approved baseline schedule   | 85%                    | 85%                      | 0%<br>(0/1)           | 85%                      | 85%                      |
|  | 2. % of CIP projects that are completed** within the approved baseline budget   | 90%                    | 90%                      | 0%<br>(0/1)           | 90%                      | 90%                      |
|  | 3. project delivery costs (exclusive of city-wide overhead) as % of total construction cost for completed projects with construction costs:             |                        |                          |                       |                          |                          |
|  | less than \$500,000-  | 31%                    | 31%                      | ***                   | 31%                      | 31%                      |
|  | between \$500,000 and \$3M-   | 23%                    | 23%                      | ***                   | 23%                      | 23%                      |
|  | greater than \$3M-  | 15%                    | 15%                      | ***                   | 15%                      | 15%                      |
|  | Total (all construction costs)-   |                        |                          | ***                   |                          |                          |
|  | 4. % of operations and maintenance divisions rating new or rehabilitated capital facilities as being functional and sustainable after first year of use | 80%                    | 80%                      | ****                  | 80%                      | 80%                      |
|  | 5. % of customers rating new or rehabilitated CIP projects as meeting established goals (4 or better based on a scale of 1-5)                           | 85%                    | 85%                      | ****                  | 85%                      | 85%                      |

#### Notes:

- \* Projects are considered to be "delivered" when they are available for their intended use.
- \*\* Projects are considered to be "completed" when final cost accounting has occurred and the project has been accepted.
- \*\*\* No projects in this category.
- \*\*\*\* Not applicable.

The Community and Economic Development CSA completed one project during 2005-2006, Improvement District 99-218SJ (Hellyer-Piercy) – Contract #3. The schedule for this project was extended due to a redesign requested by CalTrans. For the on-budget performance measurement, The Alameda at Cleaves project was completed over-budget due to delays related to vacating the Billy DeFrank Center prior to construction. Unseasonal rains also delayed the project.



## **Performance Measures (Cont'd.)**

The projects completed in this CSA do not involve City operations and maintenance or public customers to rate on the final products. Therefore, no operation, maintenance and customer surveys were conducted in this CSA.

## *Capital Program Summary by City Service Area*

### **Community and Economic Development**

|   | <u>2006-2007<br/>Budget</u> | <u>2007-2011<br/>CIP Budget</u> | <u>Total<br/>Budget<br/>(All Years)</u> | <u>Start date</u> | <u>End date</u> |
|---|-----------------------------|---------------------------------|---|-------------------|-----------------|
| <b><u>Developer Assisted<br/>Projects Capital Program</u></b> |                             |                                 |   |                   |                 |
| CIP Database Enhancement                                      | 2,000                       | 2,000                           | 2,000                                   | 3rd Qtr. 2004     | 2nd Qtr. 2007   |
| Reimbursement to Developers for Center Strip Paving           | 230,000                     | 435,000                         | *                                       | Ongoing           | Ongoing         |
| Reimbursement to Developers for Landscaping                   | 512,000                     | 712,000                         | *                                       | Ongoing           | Ongoing         |
| Residential Program Administration                            | 90,000                      | 485,000                         | *                                       | Ongoing           | Ongoing         |
| Street Improvements for New Development                       | 100,000                     | 300,000                         | *                                       | Ongoing           | Ongoing         |
| Transfer to the City Hall Debt Service Fund                   | 10,000                      | 54,000                          | *                                       | Ongoing           | Ongoing         |
| Underground Utility Administration (20A)                      | 231,000                     | 1,255,000                       | *                                       | Ongoing           | Ongoing         |
| Underground Utility Administration (20B)                      | 110,000                     | 650,000                         | *                                       | Ongoing           | Ongoing         |
| Underground Utility Program                                   | 1,651,000                   | 9,401,000                       | *                                       | Ongoing           | Ongoing         |
| <b>Total: Construction/Non-Construction</b>                   | <b>2,936,000</b>            | <b>13,294,000</b>               |   |                   |                 |
| Ending Fund Balance   | 3,812,226                   | 875,226 **                      |   |                   |                 |
| <b>Total: Developer Assisted Projects Capital Program</b>     | <b>6,748,226</b>            | <b>14,169,226 **</b>            |   |                   |                 |
| <br><b>CSA Total: Construction/Non-Construction</b>           | <br><b>2,936,000</b>        | <br><b>13,294,000 **</b>        |   |                   |                 |
| Ending Fund Balance   | 3,812,226                   | 875,226 **                      |   |                   |                 |
| <b>CSA Total:</b>   | <b>6,748,226</b>            | <b>14,169,226 **</b>            |   |                   |                 |

\* Total Budget information is not provided due to the ongoing nature of this project.

\*\*The 2006-2007 through 2009-2010 Ending Balances are excluded from the FIVE-YEAR TOTAL USE OF FUNDS to avoid multiple counting of same funds.